



Gray Davis, Governor  
State of California  
Business, Transportation and Housing Agency

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980 Ninth Street  
Suite 500  
Sacramento, CA 95814  
916-322-7550 voice  
916-324-6459 fax

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TO: Knox-Keene Act Licensees

FROM: G. LEWIS CHARTRAND, JR.  
Assistant Deputy Director  
Office of Legal Services

The Department of Managed Health Care (Department) was recently asked to determine whether the federal Gramm-Leach-Bliley Act (GLB Act) was applicable to Knox-Keene licensees.

Congress passed the GLB Act in 1999, to enhance competition in the financial services industry by providing a framework for the affiliation of banks, securities firms, insurance companies, and other financial service providers. The GLB Act applies to financial institutions and their affiliates, including "insurers." The GLB Act imposes privacy and notice requirements on insurers to protect nonpublic personal information.

The Department has determined that Knox-Keene licensed health care service plans do not fall within the scope of insurers governed by the GLB Act. Therefore, the GLB Act is not applicable to Knox-Keene licensees.

If you have any questions or comments, I may be contacted at (916) 322-7550.